



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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Auditor of State

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**NEWS RELEASE**

FOR RELEASE July 5, 2005

Contact: Andy Nielsen  
515/281-5834

Auditor of State David A. Vaudt today released an audit report on 5B Judicial District Youth Services located in Lamoni, Iowa. Youth Services ceased operations on February 28, 2005.

Vaudt reported Youth Services' operating revenues totaled \$749,524 for the year ended June 30, 2004, including \$748,583 from the State of Iowa and other governments. Operating revenues for the eight months ended February 28, 2005 totaled \$332,924, including \$330,412 from the State of Iowa and other governments.

Operating expenses totaled \$747,761 for the year ended June 30, 2004, including salaries and benefits of \$557,070 and rent of \$42,000. Operating expenses for the eight months ended February 28, 2005 totaled \$392,753, including salaries and benefits of \$279,240 and rent of \$15,800.

A copy of the audit report is available for review in the Office of Auditor of State.

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**5B JUDICIAL DISTRICT YOUTH SERVICES**

**INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS  
SCHEDULE OF FINDINGS**

**EIGHT MONTHS ENDED FEBRUARY 28, 2005 AND  
YEAR ENDED JUNE 30, 2004**

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**5B Judicial District Youth Services**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Kevin Wynn	Chairman	Adams County
J.R. Cornett	Vice Chairman	Decatur County
Jack Cooley	Member	Clarke County
Clarence Gee	Member	Lucas County
Wayne Kemery	Member	Ringgold County
Lee Little	Member	Taylor County
Curt Turner	Member	Union County
Jerry O'Dell	Member	Wayne County
Michelle Bowen	Board Secretary	
Cary Williams	Executive Director (through February 2004)	
Andy Ross	Executive Director (beginning March 2004)	

**5B Judicial District Youth Services**



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Independent Auditor's Report

To the Officials of 5B Judicial District Youth Services:

We have audited the accompanying basic financial statements of 5B Judicial District Youth Services as of and for the period July 1, 2004 through February 28, 2005 and for the year ended June 30, 2004 as listed as exhibits in the table of contents. These financial statements are the responsibility of Youth Services' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 5B Judicial District Youth Services as of February 28, 2005 and June 30, 2004, and the changes in its financial position and its cash flows for the period July 1, 2004 through February 28, 2005 and the year ended June 30, 2004 in conformity with U.S. generally accepted accounting principles.

As discussed in Note 9 to the financial statements during the year ended June 30, 2004, 5B Judicial District Youth Services adopted Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Note Disclosures.

In accordance with Government Auditing Standards, we have also issued our report dated March 16, 2005 on our consideration of 5B Judicial District Youth Services' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

5B Judicial District Youth Services has not presented Management's Discussion and Analysis which the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

DAVID A. VAUDT, CPA  
Auditor of State

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

March 16, 2005

**Exhibit A**

## 5B Judicial District Youth Services

## Statement of Net Assets

February 28, 2005 and June 30, 2004

	<u>February 28, 2005</u>	<u>June 30, 2004</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 23,524	54,406
Accounts receivable	46,795	86,794
Inventory	-	1,496
Total current assets	<u>70,319</u>	<u>142,696</u>
Noncurrent assets:		
Capital assets (net of accumulated depreciation)	<u>5,427</u>	<u>43,654</u>
<b>Total assets</b>	<u>75,746</u>	<u>186,350</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	13,973	19,323
Salaries and benefits payable	4,929	24,826
Capital lease purchase agreements	4,650	10,942
Compensated absences	-	26,570
Loan payable	<u>25,000</u>	<u>-</u>
Total current liabilities	48,552	81,661
Non-current liabilities:		
Capital lease purchase agreements, net	<u>-</u>	<u>4,148</u>
<b>Total liabilities</b>	<u>48,552</u>	<u>85,809</u>
<b>Net assets</b>		
Invested in capital assets, net of related debt	777	28,564
Unrestricted	<u>26,417</u>	<u>71,977</u>
<b>Total net assets</b>	<u>\$ 27,194</u>	<u>100,541</u>

See notes to financial statements.

5B Judicial District Youth Services

Statement of Revenues, Expenses and Changes in Net Assets

Eight months ended February 28, 2005 and  
Year ended June 30, 2004

	Eight months ended February 28, 2005	Year ended June 30, 2004
Operating revenues:		
Government funding sources:		
Iowa Department of Human Services purchase of service	\$ 155,510	464,599
National School Lunch program reimbursements	8,646	20,085
Clothing allowances	246	2,371
Juvenile justice reimbursements	96,090	132,978
Charges for service to other governments	46,002	85,788
Iowa in Home program	23,918	42,762
Miscellaneous	2,512	941
Total operating revenues	<u>332,924</u>	<u>749,524</u>
Operating expenses:		
Salaries and benefits	279,240	557,070
Workers' compensation insurance	4,059	4,337
Office supplies	3,974	7,639
Food	11,685	28,132
Other supplies	3,491	2,249
Building, grounds, supplies and maintenance	2,499	7,113
Clothing and personal needs	1,692	7,630
Rent	15,800	42,000
Utilities	7,657	10,984
Telephone	8,954	13,512
Accounting/auditing services	8,144	8,144
Insurance	21,460	17,381
Vehicle expense	4,050	10,156
Staff development and training	410	516
Subscriptions and dues	1,740	3,227
Equipment repair	1,540	3,261
Travel	126	2,507
Depreciation	9,933	15,795
Miscellaneous	6,299	6,108
Total operating expenses	<u>392,753</u>	<u>747,761</u>
Operating income (loss)	<u>(59,829)</u>	<u>1,763</u>
Non-operating revenues (expenses):		
Interest income	105	228
Interest expense	(2,329)	(1,388)
Loss on disposal of capital assets	(11,294)	(1,190)
Net non-operating revenues (expenses)	<u>(13,518)</u>	<u>(2,350)</u>
Change in net assets	(73,347)	(587)
Net assets beginning of period	<u>100,541</u>	<u>101,128</u>
Net assets end of period	<u>\$ 27,194</u>	<u>100,541</u>

See notes to financial statements.

## 5B Judicial District Youth Services

## Statement of Cash Flows

Eight months ended February 28, 2005 and  
Year ended June 30, 2004

	<u>Year ended</u> <u>June 30, 2004</u>
Cash flows from operating activities:	
Cash received from governmental sources	\$ 770,388
Cash received from other operating revenues	941
Cash paid to suppliers for goods and services	(170,246)
Cash paid to employees for services	(559,742)
Net cash provided by operating activities	<u>41,341</u>
Cash flows from capital and related financing activities:	
Principal paid on capital leases	(12,800)
Acquisition of capital assets	(4,955)
Interest paid	(1,203)
Net cash used for capital and related financing activities	<u>(18,958)</u>
Cash flows from investing activities:	
Interest on investments	<u>228</u>
Net increase in cash and cash equivalents	22,611
Cash and cash equivalents beginning of year	<u>31,795</u>
Cash and cash equivalents end of year	<u>\$ 54,406</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	<u>\$ 1,763</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	15,795
(Increase) decrease in:	
Accounts receivable	21,805
Inventory	(26)
Increase (decrease) in:	
Accounts payable	4,676
Salaries and benefits payable	2,890
Compensated absences	(5,562)
Total adjustments	<u>39,578</u>
Net cash provided by operating activities	<u>\$ 41,341</u>

## Non-cash investing, capital and financing activities:

During the eight months ended February 28, 2005, certain vehicles and office equipment were exchanged with the lessor for two months of facility rent valued at \$7,000.

See notes to financial statements.

5B Judicial District Youth Services

Notes to Financial Statements

February 28, 2005 and June 30, 2004

**(1) Summary of Significant Accounting Policies**

5B Judicial District Juvenile Group Home and Shelter Care was formed in 1977 by eight Southern Iowa member counties pursuant to the provisions of Chapter 28E of the Code of Iowa. During 1995, the District discontinued its residential group home program, at which time the name of the organization was changed to 5B Judicial District Youth Services. Youth Services provides shelter care to juveniles in Judicial District 5B.

5B Judicial District Youth Services is governed by a Board comprised of one representative from each of the following member counties: Adams, Clarke, Decatur, Lucas, Ringgold, Taylor, Union and Wayne. In the performance of its duties, the Board may cooperate with, contract with, and accept and expend funds from federal, state or local agencies, public or semi-public, private individuals or corporations, and may carry out such cooperative undertakings and contracts as provided by law.

Effective March 1, 2005, 5B Judicial District Youth Services ceased operations as a separate entity with the closing of the Lamoni shelter. The administrative responsibility and records for the tracking and monitoring program for juveniles has been transferred to Decatur County. Upon dissolution of Youth Services, any remaining assets are to be liquidated and the net proceeds distributed to member counties pro-rata upon the same basis they contributed to the operation.

A. Reporting Entity

For financial reporting purposes, 5B Judicial District Youth Services has included all funds, organizations, agencies, boards, commissions and authorities. Youth Services has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationships with Youth Services are such that exclusion would cause Youth Services' financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of Youth Services to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on Youth Services. 5B Judicial District Youth Services has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

The accounts of the Youth Services are organized as an Enterprise Fund. Enterprise Funds are utilized to finance and account for the acquisition, operation and maintenance of governmental facilities and services supported by user charges.

Enterprise Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an Enterprise Fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Revenues are recognized when earned and expenses are recognized when the liability is incurred.

D. Budgets

Youth Services annually adopts a budget on the accrual basis. The annual budget may be amended during the year upon approval of the Board.

E. Assets, Liabilities and Net Assets

The following accounting policies are followed in preparing the Statement of Net Assets:

Cash and Cash Equivalents – 5B Judicial District Youth Services considers all short-term investments that are highly liquid to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Inventory – Inventory is valued at cost using the first-in, first-out method. Inventory consists of food commodities held for consumption.

Capital Assets – Capital assets are carried at historical cost. Depreciation of all exhaustible capital assets is charged as an expense against operations. The cost of repair and maintenance is charged to expense, while the cost of renewals or substantial betterments is capitalized. The cost and accumulated depreciation of assets sold, retired or otherwise disposed of are deleted, with any gain or loss recorded in current operations.

Reportable capital assets are defined by Youth Services as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of five years.

Asset Class	Amount
Building and improvements	\$ 1,000
Furniture, equipment and vehicles	1,000

Capital assets of 5B Judicial District Youth Services are depreciated using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful lives (In Years)
Buildings and improvements	7
Furniture and equipment	5-7
Vehicles	5

Compensated Absences – Full-time employees of Youth Services accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. Youth Services’ liability for accumulated vacation has been computed based on rates of pay in effect at June 30, 2004. There is no liability as of February 28, 2005 due to the separation of employees during the process of ceasing operations.

**(2) Cash**

Youth Services' deposits in banks at February 28, 2005 and June 30, 2004 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the members of the pool to insure there will be no loss of public funds.

Youth Services is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Youth Services’ cash and deposits at February 28, 2005 and June 30, 2004 are as follows:

Type	February 28, 2005	June 30, 2004
Checking and savings accounts	\$ 23,060	53,941
Cash on hand	464	465
Total	\$ 23,524	54,406

**(3) Pension and Retirement Benefits**

Youth Services contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual salary and Youth Services is required to contribute 5.75% of annual payroll for the eight months ended February 28, 2005 and years ended June 30, 2004 and 2003. Contribution requirements are established by state statute. Youth Services' contributions to IPERS for the eight months ended February 28, 2005 and the years ended June 30, 2004 and 2003 were \$12,781, \$22,380 and \$22,613, respectively, equal to the required contributions for each period.

**(4) Lease Agreement**

5B Judicial District Youth Services entered into a lease agreement with JRC, Inc., for the lease of the facility in Lamoni, Iowa. The lease was for a period of 20 years, commencing October 1, 1994. The lease required monthly rental payments of \$3,500. The rent expense under this lease was \$42,000 for the year ended June 30, 2004 and \$15,800 for the eight months ended February 28, 2005.

**(5) Capital Assets**

Capital assets activity for the eight months ended February 28, 2005 and for the year ended June 30, 2004 is as follows:

	Balance Beginning of Period	Increases	Decreases	Balance End Period
<b>Eight Months ended February 28, 2005:</b>				
Capital assets being depreciated:				
Furniture and equipment	\$ 36,922	-	28,925	7,997
Vehicles	75,621	-	75,621	-
Total capital assets	112,543	-	104,546	7,997
Less accumulated depreciation for:				
Furniture and equipment	21,747	3,133	(22,310)	2,570
Vehicles	47,142	6,800	(53,942)	-
Total accumulated depreciation	68,889	9,933	(76,252)	2,570
Total capital assets, net	\$ 43,654	(9,933)	28,294	5,427

Furniture and equipment includes \$7,997 of assets acquired under a capital lease.

	Balance Beginning of Year	Increases	Decreases	Balance End Year
<b>Year ended June 30, 2004</b>				
Capital assets being depreciated:				
Building and improvement	\$ 1,868	-	1,868	-
Furniture and equipment	39,198	4,955	7,231	36,922
Vehicles	75,621	-	-	75,621
Total capital assets	116,687	4,955	9,099	112,543
Less accumulated depreciation for:				
Building and improvement	\$ 1,868	-	1,868	-
Furniture and equipment	23,997	3,791	6,041	21,747
Vehicles	35,138	12,004	-	47,142
Total accumulated depreciation	61,003	15,795	7,909	68,889
Total capital assets, net	\$ 55,684	(10,840)	1,190	43,654

Furniture and equipment includes \$7,997 of assets acquired under a capital lease.  
Vehicles include \$46,596 of assets acquired under a capital lease.

Upon closing of the Youth Services facility capital assets consisting of three vehicles and a computer valued at \$23,082 were sold to Decatur County for \$10,000. Capital assets consisting of vehicles and office equipment valued at \$5,212 were exchanged with JRC, Inc. for two months of facility rent. The remaining copier was returned to the vendor upon termination of vendor upon termination of the lease agreement after February 28, 2005.

**(6) Capital Lease Purchase Agreements**

Youth Services entered into capital lease purchase agreements in November, 2002 to lease a copier and in March, 2002 to lease three vehicles. The lease payments, including interest at 9.45% and 6.26% per annum, respectively, continue through the year ending June 30, 2008.

Year ended June 30, 2004:

Year Ending June 30,	Copier	Vehicles	Total
2005	\$ 1,928	9,763	11,691
2006	1,928	-	1,928
2007	1,928	-	1,928
2008	803	-	803
Total minimum lease payments	6,587	9,763	16,350
Less amounts representing interest	(979)	(281)	(1,260)
Present value of net minimum lease payments	\$ 5,608	9,482	15,090

Payments under the copier and vehicles capital lease purchase agreements during the year ended June 30, 2004 totaled \$1,285 and \$12,901, respectively.

Eight months ended February 28, 2005:

Payments under the copier and vehicles capital lease agreements during the eight months ended February 28, 2005 totaled \$1,285 and \$9,726, respectively. The remaining copier capital lease obligation of \$4,650 as of February 28, 2005 will be paid upon termination of the lease agreement. An additional finance charge of \$986 was to be paid upon returning the leased copier.

**(7) Loan Payable**

On February 26, 2005, JRC, Inc. loaned Youth Services \$25,000 to cover closing costs. The loan is to be paid back upon collection of outstanding service billings.

**(8) Risk Management**

Youth Services is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**(9) Accounting Change**

For the year ended June 30, 2004, 5B Judicial District Youth Services implemented Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments; Statement No. 37, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Note Disclosures.

Implementation of these statements had no effect on the beginning net assets of the Youth Services.



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Independent Auditor's Report on Compliance  
and on Internal Control over Financial Reporting

To the Officials of 5B Judicial District Youth Services:

We have audited the financial statements of 5B Judicial District Youth Services as of and for the period July 1, 2004 through February 28, 2005 and the year ended June 30, 2004, and have issued our report thereon dated March 16, 2005. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether 5B Judicial District Youth Services' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards. However, we noted an immaterial instance of non-compliance that is described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about Youth Services' operations for the period July 1, 2004 through February 28, 2005 and the year ended June 30, 2004 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of 5B Judicial District Youth Services. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. The prior year statutory comment has not been resolved and is restated as item (2).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 5B Judicial District Youth Services' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information of the members and customers of 5B Judicial District Youth Services and other parties to whom Youth Services may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of 5B Judicial District Youth Services during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

March 16, 2005

5B Judicial District Youth Services

Schedule of Findings

Eight months ended February 28, 2005 and  
Year ended June 30, 2004

**Findings Related to the Financial Statements:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

No material weaknesses in internal control over financial reporting were noted.

5B Judicial District Youth Services

Schedule of Findings

Eight months ended February 28, 2005 and  
Year ended June 30, 2004

**Other Findings Related to Required Statutory Reporting:**

- (1) Official Depository – A resolution naming an official depository has been adopted by the Board. The maximum deposit amount stated in the resolution was not exceeded during the eight months ended February 28, 2005 or the year ended June 30, 2004.
- (2) Questionable Expenditures – Certain expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 since the public benefits to be derived have not been clearly documented. These expenditures are detailed as follows:

Paid to	Purpose	Amount
Year ended June 30, 2004:		
Hy-Vee	Christmas gift certificates for employees	\$ 1,300
Pamida	Christmas gift certificates for employees	825
Eight months ended February 28, 2005:		
Hy-Vee	Christmas gift certificates for employees	1,050
Pamida	Christmas gift certificates for employees	1,150

According to the opinion, it is possible for certain expenditures to meet the test of serving a public purpose under certain circumstances, although such expenses will certainly be subject to a deserved close scrutiny. The line to be drawn between a proper and an improper purpose is very thin.

Recommendation – The Board should determine and document the public purpose served by these expenditures before authorizing any further payments. Youth Services should establish written policies and procedures, including the requirement for proper documentation.

Response – These types of expenditures should no longer occur.

Conclusion – Response acknowledged.

- (3) Business Transactions – No business transactions between 5B Judicial District Youth Services and its officials or employees were noted.
- (4) Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- (5) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and Youth Services’ investment policy were noted.

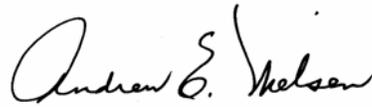
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5B Judicial District Youth Services

Staff

This audit was performed by:

Ronald D. Swanson, CPA, Manager  
Sheila M. Jensen, Staff Auditor  
Cheryl R. McNaught, CPA, Assistant Auditor

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large initial "A" and "N".

Andrew E. Nielsen, CPA  
Deputy Auditor of State